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9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

20 ** All papers shall be filed in the Lead Case, No.*
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' TWENTY-
SECOND OMNIBUS OBJECTION TO
CLAIMS (SATISFIED CLAIMS)**

Response Deadline:
November 3, 2020, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: November 17, 2020

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to
6 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the
7 “**Chapter 11 Cases**”) hereby submit this twenty-second omnibus objection (the “**Objection**”) to the
8 claims identified in the column headed “Claims To Be Disallowed and Expunged” on **Exhibit 1** annexed
9 hereto.

10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (collectively, the
18 “**Bankruptcy Rules**”).

19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
21 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
22 Debtors continued to operate their businesses and manage their properties as debtors in possession
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
24 in either of the Chapter 11 Cases. The Debtors’ Chapter 11 Cases are being jointly administered for
25 procedural purposes only pursuant to Bankruptcy Rule 1015(b).

26 On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an Official
27 Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019, the U.S.
28 Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants Committee**” and,
together with the Creditors Committee, the “**Committees**”).

1 Additional information regarding the circumstances leading to the commencement of the Chapter
2 11 Cases and information regarding the Debtors' businesses and capital structure is set forth in the
3 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket
4 No. 263].

5 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
6 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
7 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
8 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
9 *Creditors* [Docket No. 2806] (the "**Bar Date Order**"). The Bar Date Order set the deadline to file all
10 proofs of claim (each, a "**Proof of Claim**") in respect of any prepetition claim (as defined in section
11 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
12 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
13 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
14 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the "**Bar**
15 **Date**"). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
16 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
17 that purchased or acquired the Debtors' publicly held debt and equity securities and may have claims
18 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

19 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors'*
20 *and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
21 further modified, amended or supplemented from time to time, and together with any exhibits or
22 scheduled thereto, the "**Plan**"). The Effective Date of the Plan occurred on July 1, 2020 (the "**Effective**
23 **Date**"). See Dkt. No. 8252.

24 **III. RELIEF REQUESTED**

25 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
26 Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*

27 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus
2 Objections, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),
3 seeking entry of an order disallowing and expunging claims that the Reorganized Debtors have
4 determined were satisfied or released during or prior to the commencement of these Chapter 11 Cases
5 in accordance with the Bankruptcy Code, any applicable rules, or Court orders (the “**Satisfied Claims**”).
6 The Satisfied Claims are identified on **Exhibit 1**, in the columns headed “Claims To Be Disallowed and
7 Expunged.” **Exhibit 1** also identifies in the “Basis for Objection” that the Satisfied Claims are classified
8 as:

9 (1) “Cure Payments,” referring to Claims paid in their entirety as a cure as part of the assumption
10 of an executory contract or unexpired leased that was assumed on the Effective Date pursuant to the Plan
11 and Confirmation Order;

12 (2) “MLX Claims” or “Engineering Advances and Other Refunds” based on prepetition refund
13 obligations asserted under the Debtors’ customer programs, such as the mainline extension and
14 interconnection programs (the “**MLX Programs**”), engineering advances when Customers apply for
15 new line extension or relocation projects, which are applied to the cost of the project (the “**Engineering**
16 **Advances**”), and various other small refund programs (the “**Engineering Advances and Other**
17 **Refunds**”). These refunds were paid by the Debtors pursuant to the *Final Order Pursuant to 11 U.S.C.*
18 *§§ 105(a), 363(b), and 507(a)(7) and Fed. R. Bankr. P. 6003 and 6004 (I) Authorizing Debtors to (A)*
19 *Maintain and Administer Customer Programs, Including Public Purpose Programs, and (B) Honor Any*
20 *Prepetition Obligations Relating Thereto; and (II) Authorizing Financial Institutions to Honor and*
21 *Process Related Checks and Transfer* [Docket No. 843].

22 (3) “EGI Claims” based on prepetition refund obligations asserted under the Debtors’ Electric
23 Generation Interconnection program (“**EGI**”). EGI refunds were paid by the Debtors pursuant to Order
24 Granting Stipulation Between the Debtors and Ad Hoc Group of Interconnection Customers to Permit
25 Payment of Certain Pass-Through Amounts [Docket No. 4790] (the “**Interconnection Stipulation**
26 **Order**”). Each Claimant retains its non-bankruptcy remedies with respect to post-petition claims under
27 EGI.
28

1 (4) Other Satisfied,” referring to claims that have otherwise been satisfied prior to or during the
2 pendency of these Chapter 11 Cases, in most cases by payments pursuant to an order granting one of the
3 Debtors’ first day motions.

4 The Reorganized Debtors request that the Satisfied Claims be disallowed and expunged.

5 **IV. ARGUMENT**

6 **A. The Satisfied Claims Should be Disallowed and Expunged**

7 Bankruptcy Rule 3007 permits a debtor to object to more than one claim if “they have been
8 satisfied or released during the case in accordance with the Code, applicable rules, or a court order.”
9 Fed. R. Bankr. P. 3007(d)(5). Bankruptcy Rule 3007(e) requires that an omnibus objection must list the
10 claimants alphabetically and by cross-reference to claim numbers. Each of the Satisfied Claims
11 identified on Exhibit 1 has been satisfied prior to or over the course of the Chapter 11 Cases.

12 Each of the Claimants is listed alphabetically, and the claim number and amount are identified
13 in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections
14 Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of
15 the Satisfied Claims. The Reorganized Debtors request that the Court disallow and expunge the Satisfied
16 Claims in their entirety.

17 **B. The Claimants Bear the Burden of Proof**

18 A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C.
19 § 502(a).² Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim
20 may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under
21 any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to
22 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”
23 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*
24 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the
25 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*
26 *(In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*

27 ² Under Section 7.1 of the Plan, the Reorganized Debtors have until 180 days after the Plan’s Effective
28 Date to bring objections to claims, which deadline may be extended by the Court.

1 *Allegheny Int'l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff'd without opinion* 91 F.3d 151 (9th Cir.
2 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting
3 *King, Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039
4 (9th Cir. 2000), *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (BAP 9th Cir. 1993); *In re Fidelity*
5 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

6 As set forth above, the Reorganized Debtors submit that the Satisfied Claims already have been
7 satisfied prior to or over the course of the Chapter 11 Cases and, therefore, should be disallowed and
8 expunged. If any Claimant believes that a Satisfied Claim has not been satisfied in full, it must present
9 affirmative evidence demonstrating the validity of that claim.

10 **V. RESERVATION OF RIGHTS**

11 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
12 the claims listed in this Objection on any ground, and to amend, modify, or supplement this Objection
13 to the extent an objection to a claim is not granted, and to file other objections to any proofs of claims
14 filed in these cases, including, without limitation, objections as to the amounts asserted therein, or any
15 other claims (filed or not) against the Debtors, regardless of whether such claims are subject to this
16 Objection. A separate notice and hearing will be scheduled for any such objections. Should the grounds
17 of objection specified herein be overruled or withdrawn, wholly or in part, the Reorganized Debtors
18 reserve the right to object to the Satisfied Claims on any other grounds that the Reorganized Debtors
19 may discover or deem appropriate.

20 **VI. NOTICE**

21 Notice of this Objection will be provided to (i) holders of the Satisfied Claims; (ii) the Office of
22 the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii) counsel
23 to the Creditors Committee; (iv) counsel to Tort Claimants Committee; (v) all counsel and parties
24 receiving electronic notice through the Court’s electronic case filing system; and (vi) those persons who
25 have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule
26 2002. The Reorganized Debtors respectfully submit that no further notice is required. No previous
27 request for the relief sought herein has been made by the Reorganized Debtors to this or any other Court.
28

1 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
2 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
3 best interests of their estates, creditors, shareholders, and all other parties interests, and (ii) such other
4 and further relief as the Court may deem just and appropriate.

5 Dated: October 8, 2020

KELLER BENVENUTTI KIM LLP

6 By: /s/ Peter J. Benvenutti
7 Peter J. Benvenutti

8 *Attorneys for Debtors and Reorganized Debtors*
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